

Message Text

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PAGE 01 STATE 036503
ORIGIN EA-12

INFO OCT-01 EUR-12 IO-13 ISO-00 SP-02 USIA-06 AID-05
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COME-00 AGRE-00 LAB-04 CIAE-00 INR-10 NSAE-00 L-03
H-01 OIC-02 /108 R

DRAFTED BY EA/J:H A COCHRAN; EA/EP:W R WARNE:EH
APPROVED BY EA:E H HEGINBOTHAM
E:J WILSON
STR:R RIVERS
EB:H KOPP
TREAS:
COMMERCE:S KATZ
NSC:M ARMACOST
CEA:J SHAFER
AGR:T SAYLOR
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TO AMEMBASSY TOKYO
INFO USMISSION GENEVA
AMEMBASSY PARIS

C O N F I D E N T I A L STATE 036503

GENEVA FOR USMTN, PARIS FOR USOECD

E.O. 11652: GDS

TAGS: ECON, ETRD, EFIN, MTN, OECD, JA, US

SUBJECT: US-JAPAN TRADE AND ECONOMIC POLICY TALKS, 1978

REF: (A) 77 TOKYO 593; (B) 77 PARIS 33836; (C) 77 TOKYO
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 036503

14339; (D) 78 STATE 23723

1. WE ARE PLANNING VARIOUS EVENTS OVER THE NEXT SEVERAL
MONTHS WHICH WOULD PROMOTE EFFECTIVE FOLLOW THROUGH TO TE
STRAUSS-USHIBA STATEMENT. WE ARE TENTATIVELY THINKING OF
THE SCHEDULE OUTLINED BELOW AND WOULD APPRECIATE RECEIVING

EMBASSY COMMENTS ON THE SCHEDULE AND SUGGESTIONS FOR OUR STRATEGY THIS YEAR.

2. FEB AND MAR. THE BUDGET BILL BEFORE THE DIET, HEAVY DEMANDS ON CABINET MEMBERS AND SENIOR GOJ OFFICIALS, AS WELL AS SIMILAR DEMANDS ON USG OFFICIALS' TIME, SUGGEST THAT NO HIGH-LEVEL MEETINGS WILL BE POSSIBLE DURING THIS PERIOD. HOWEVER, CEA CHAIRMAN SCHULTZE WILL HAVE A POSSIBLE OPPORTUNITY TO RAISE SOME ISSUES WITH EPA OFFICIALS AT THE FEBRUARY 27-28 MEETING OF THE OECD'S ECONOMIC POLICY COMMITTEE IN PARIS. AMBASSADOR MANSFIELD WILL BE ABLE TO EMPHASIZE TO THE GOJ THE NEED FOR EFFECTIVE FOLLOWUP TO ACHIEVE SOME "SUCCESS STORIES" IN THE IMPORT ACCESS FIELD WHILE THE OTHER MEASURES UNDERTAKEN BY THE GOJ BEGIN TO

TAKE EFFECT. IN ADDITION, THE MARCH 3-19 VISIT OF THE JAPAN IMPORT PROMOTION MISSION TO THE U.S. WILL BE AN OPPORTUNITY TO FOLLOW UP THE JOINT STATEMENT WITH RESULTS-ORIENTED ACTION.

3. APRIL. AMB. STRAUSS AND MINISTER USHIBA HAVE AGREED IN PRINCIPLE TO MEET IN GENEVA WEEK OF APRIL 10 TO TAKE STOCK OF MTN PROGRESS WITH HAERKAMP AND ALSO TO REVIEW THE RESULTS OF THEIR JOINT STATEMENT. CEA CHAIRMAN SCHULTZE IS PREPARED TO HOLD AN INFORMAL MEETING WITH THE EPA AT A MUTUALLY CONVENIENT TIME IN APRIL. HE DISCUSSED A POSSIBLE MEETING WITH EPA DIR-GEN MIYAZAWA AT THE LAST CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 036503

OECD ECONOMIC POLICY COMMITTEE MEETING IN NOVEMBER AND LOOKS FORWARD TO AN INFORMAL DISCUSSION WITH THE EPA ON ECONOMIC POLICY ISSUES. CHAIRMAN SCHULTZE WILL BE TIED UP WITH CONGRESSIONAL HEARINGS PRIOR TO THE NEXT EPC MEETING AT THE END OF FEBRUARY. HE WOULD SUGGEST VISITING TOKYO FOR ABOUT TWO DAYS EITHER APRIL 17-18 OR, IF THAT IS NOT POSSIBLE, APRIL 13-14. HE HOPES THAT EPA OFFICIALS WOULD BE ABLE TO MEET AT ONE OF THE ABOVE SUGGESTED TIMES. CEA WILL BE COMMUNICATING SEPARATELY TO EPA ON POSSIBLE AGENDA ITEMS WHICH MIGHT BE TAKEN UP DURING THIS INFORMAL MEETING.

4. MAY. PRIME MINISTER FUKUDA HAS INDICATED A PREFERENCE FOR THE FIRST WEEK IN MAY FOR HIS VISIT, BUT THE PRECISE DATES HAVE YET TO BE DETERMINED. IT IS POSSIBLE THAT THE VISIT COULD SLIP UNTIL JUNE. IN THE LAST HALF OF MAY, THE JOINT ECONOMIC PROJECTIONS STUDY GROUP COULD MEET IN CONNECTION WITH THE SHORT TERM FORECASTERS GROUP AT THE OECD IN PARIS.

5. JUNE AND JULY. THE OECD MINISTERIAL IS SCHEDULED FOR MID-JUNE. THE ECONOMIC SUMMIT IS TENTATIVELY SCHEDULED

FOR BONN IN MID-JULY. IN ADDITION, AMBASSADOR STRAUSS, MINISTER USHIBA AND COMMISSIONER HAERKAMP HAVE TARGETED JULY 15 FOR REACHING FINAL AGREEMENT IN THE MTN.

6. AUGUST, SEPTEMBER AND OCTOBER. THE SUB-CABINET COULD BE HELD IN WASHINGTON IN AUGUST, AND BE ACCOMPANIED BY VISITS BY JAPANESE DIETMEN, AND POSSIBLY FOLLOWED BY CABINET MINISTER VISITS, WHILE THE DIET IS IN RECESS. JUST PRIOR TO THE SUB-CABINET MEETING, WE COULD SCHEDULE A SESSION ON BILATERAL TRADE ISSUES AND THE MTN. THIS WOULD BE SIMILAR TO THE MEETINGS AT THE WOLFF-BARRACLOUGH LEVEL WHICH OCCURRED BEFORE LAST SEPTEMBER'S SUB CABINET. AMBASSADOR STRAUSS AND MINISTER USHIBA HAVE AGREED TO MEET AGAIN IN OCTOBER.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 036503

7. WE ARE FLEXIBLE ON THE TIMING OF THE SUB-CABINET MEETING. SINCE SENIOR GOJ PARTICIPATION COULD BE LIMITED BY DIET DEMANDS BEFORE THE AUGUST RECESS, WE SUGGEST AUGUST FOR THE SUB-CABINET IN WASHINGTON.

8. JEPSG. AS INDICATED AT THE PARIS MEETING OF THE JEPSG, WE WANT TO CONTINUE HOLDING THESE MEETINGS PERIODICALLY. WE WOULD SUGGEST A MEETING IN PARIS IMMEDIATELY FOLLOWING THE OECD SHORT TERM FORECASTERS MEETING IN MAY. THE TIMING WOULD BE GOOD TO HAVE STATISTICS AND OUTLOOK FOR US AND JAPANESE ECONOMIC DEVELOPMENTS, AND WE COULD BENEFIT FROM PROJECTIONS PREPARED FOR THE SHORT TERM FORECASTERS. FYI. WE ALSO BELIEVE THAT HOLDING THE JEPSG IN CONNECTION WITH THE SHORT TERM FORECASTERS WILL EMPHASIZE THEIR TECHNICAL, AS OPPOSED TO POLICY, NATURE. END FYI. IN ADDITION TO THE TECHNICAL DETAILS OF EACH OTHER'S FORECASTING TECHNIQUE AND THE FORECASTS THEMSELVES, WE MIGHT SUGGEST DISCUSSING THE SENSITIVITY OF FORECASTS TO ALTERNATIVE POLICY ASSUMPTIONS. WE WOULD LIKE TO DISCUSS THE AGENDA AS WE GET CLOSER TO THE DATE OF THE MEETING, TAKING INTO ACCOUNT THE INFORMAL EPA-CEA TALKS IN APRIL. OF COURSE, AS AGREED AT THE PARIS MEETING, THE GROUND RULES WOULD REMAIN THE SAME, I.E., STRICT CONFIDENCE AND TECHNICAL DISCUSSIONS WHICH DO NOT GET INTO POLICY ISSUES.

9. DEPUTY ASSISTANT SECRETARY HEGINBOTHAM WOULD BE ABLE TO STOP IN TOKYO ABOUT MAR 8-10 TO CONTINUE THE DISCUSSION OF AID COORDINATION BEGUN AT KAWANA AND TO REVIEW CURRENT GOJ ASSESSMENTS OF ECONOMIC PROJECTIONS AND POLICY MEASURE IMPLEMENTATION. PLEASE ADVISE YOUR VIEWS REGARDING FEASIBILITY, TIMELINESS, AND UTILITY OF SUCH VISIT.

10. PRIOR TO DISCUSSING THE SCHEDULE FORMALLY WITH THE

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PAGE 05 STATE 036503

GOJ, DEPT WOULD APPRECIATE RECEIVING EMBASSY'S:

-- COMMENTS ON THE SCHEDULE OUTLINED ABOVE,

-- THOUGHTS REGARDING OUR OBJECTIVES AND STRATEGY FOR
THE COMING YEAR, AND METHODS FOR ACHIEVING OUR OBJECTIVES,

-- ASSESSMENT OF THE POSSIBILITY OF GENERAL ELECTIONS THIS
YEAR AND THE EFFECT THIS MIGHT HAVE ON THE TIMING OR SUB-
STANCE OF OUR APPROACH.

11. IN ORDER TO ASSESS AND UPDATE REGULARLY THE PROGRESS
ON THE STRAUSS-USHIBA JOINT STATEMENT, REQUEST EMBASSY
PREPARE PERIODIC REPORT COVERING MOVEMENT ON EACH ELEMENT
OF THE STRAUSS-USHIBA STATEMENT. WE WOULD HOPE TO USE THE
REPORT NOT ONLY FOR INTERNAL REVIEW OF PROGRESS, BUT ALSO
TO KEEP THE CONGRESS INFORMED ON JAPAN'S POSITIVE RESPONSE
TO OUR EFFORTS TO INCREASE ACCESS TO JAPANESE DOMESTIC
MARKETS. VANCE

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PAGE 01 STATE 036503
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INFO OCT-01 ISO-00 /005 R

66011

DRAFTED BY: EUR/RPE: ANTHONY C ALBERECHT

APPROVED BY: EUR/RPE:A.C. ALBRECHT

-----020985 151555Z /53

R 150500Z FEB 78

FM SECSTATE WASHDC

TO AMEMBASSY BRUSSELS

C O N F I D E N T I A L STATE 036503

USEEC

FOLLOWING REPEAT STATE 036503 ACTION TOKYO INFO GENEVA PARIS FEB 10.

QUOTE C O N F I D E N T I A L STATE 036503

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CONFIDENTIAL

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PAGE 02 STATE 036503

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CONFIDENTIAL

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PAGE 03 STATE 036503

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CONFIDENTIAL

PAGE 05 STATE 036503

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

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Disposition Date: 20 Mar 2014
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